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The LIVESTOCK and MEAT SITUATION

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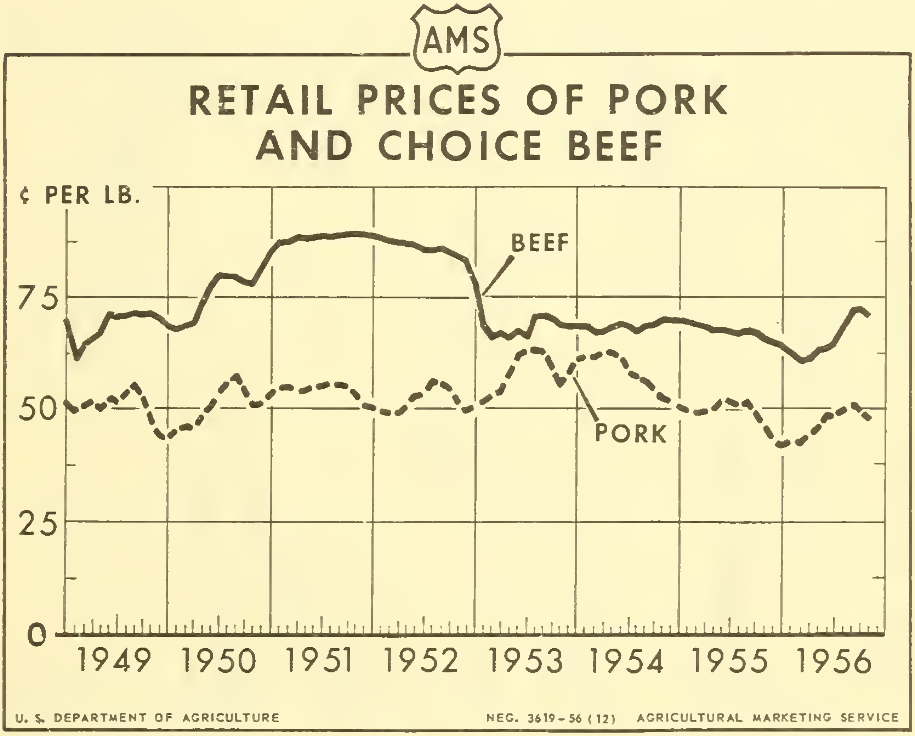
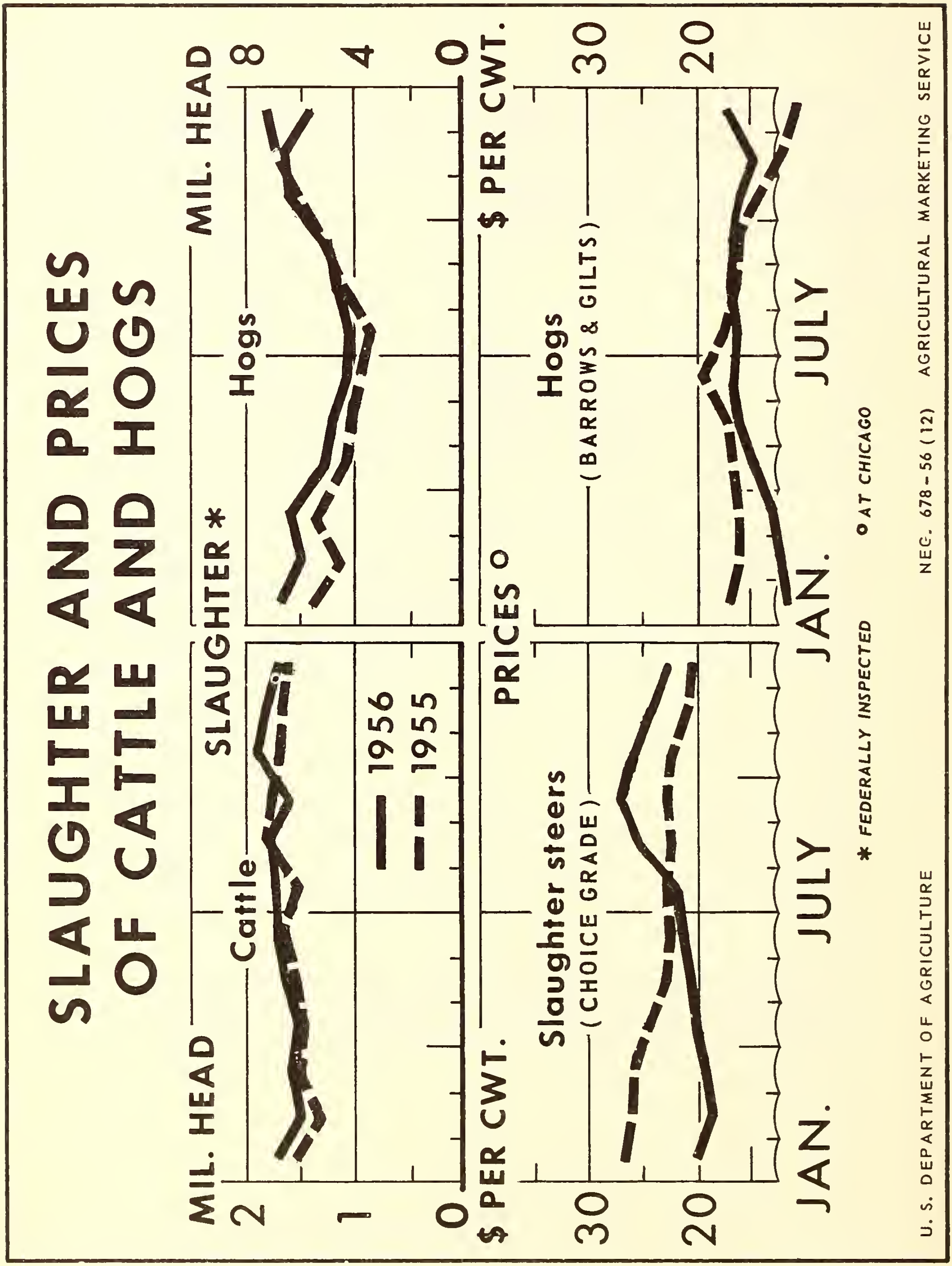


Retail prices of pork and Choice beef sagged for two years to a low in early 1956, as production of both meats increased. Both prices advanced later in 1956. Choice beef prices probably will average only a little higher in 1957 than 1956. Pork prices will be up in 1957, though below previous highs.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE


SLAUGHTER AND PRICES
OF CATTLE AND HOGS
SLAUGHTER *
MIL. HEAD
MIL. HEAD
Cattle
Hogs
2
1
0
8
4
0
1956
1955
PRICES o
$ PER CWT.
$ PER CWT.
Slaughter steers
(CHOICE GRADE)
Hogs
(BARROWS & GILTS)
30
20
30
20
JAN.
JULY
JAN.
JULY
* FEDERALLY INSPECTED
o AT CHICAGO
U. S. DEPARTMENT OF AGRICULTURE
NEG. 678-56 (12)
AGRICULTURAL MARKETING SERVICE

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, January 2, 1957

SUMMARY

Hog slaughter is decreasing while cattle slaughter stays near a record high, after a year or more when both were exceptionally large. Hog prices are improving while cattle prices remain closer to those of a year ago.

By the end of 1956, hog slaughter was substantially less than the previous year. It will continue smaller this winter than last, because fewer late pigs last spring reduced the year-end inventory of hogs nearing slaughter weight. On December 1, the number of barrows and gilts over six months of age intended for slaughter was almost a fifth less than a year before, and the reduction on January 1 probably was about the same.

The 1956 fall pig crop was down 4 percent, and producers planned December 1 to reduce the spring pig crop 2 percent. The reduction will be divided about equally between early and late farrowings, according to present intentions. This indicates that hog slaughter during most or all of 1957 will remain below 1956. However, by year's end the difference will be small.

Prices of hogs, which had advanced $2.50 per 100 pounds in late December from their mid-November low, may strengthen somewhat further this winter. A downturn is probable when marketings from the fall pig crop are largest; however, a new seasonal upturn is likely in the spring. Prices of hogs during most months of 1957 and perhaps throughout the year will likely be above 1956.

Cattle slaughter has been extremely large because many cattle were put on feed early and marketed rapidly after only moderate feeding; because the rate of marketing for young cattle has been speeded, in contrast with delayed marketing last winter; and because lack of feed has forced larger marketings from drought areas. Marketings of fed cattle will be distributed more evenly by seasons in 1957 than in 1956, and total cattle slaughter probably will continue to be large in most months.

The extent and severity of drought will be a major factor affecting cattle slaughter and prices in 1957. If drought is not severe, prices may average as high or slightly higher than in 1956. Prices of fed steers are expected to level out following their late fall decline, and to stay higher this winter and spring than their lowest point last winter. Severe drought would expand slaughter and prevent improvement in prices.

Prices of lambs are likely to rise seasonally, and may remain for a time a little higher than last year.

Total 1957 meat production is expected to be less than the 1956 record. Production probably will be cut heaviest in the first half year, with most of the reduction in pork.

Consumers will pay higher prices for pork in 1957 than during 1956, and possibly a little more for the higher grades of beef.

In late 1956, the Department of Agriculture discontinued its special meat buying programs, which had been set up to assist producers during the fall period of heavy marketings. About 72.0 million pounds of hamburger, 21.6 million pounds of lard, and 6.6 million pounds of canned pork and pork products were purchased. Approximately 31.4 million dollars of Section 32 funds were expended for these products, which are being donated to school lunch programs and other eligible outlets.

REVIEW AND OUTLOOK

Spring Pigs Marketed Early; Small Carryover on December 1

Farmers in 1956 apparently marketed a larger part of their spring pig crop by the end of the year than they had in 1955. Early farrowings of that crop were up 1 percent, late farrowings down 13 percent. The total pig crop was down 8 percent. Reflecting this pattern of farrowing, commercial slaughter of hogs August through October was 1 percent above a year before. November slaughter was 5 percent below. The number of hogs over six months old remaining on farms December 1 was 15 percent smaller than the previous December. Since this number included a breeding herd nearly as large as a year earlier, the reduction in barrows and gilts was probably about 20 percent.

Hog Slaughter to be Below Last Winter

In December, weekly slaughter of hogs under Federal inspection dropped to about 20 percent below December 1955. Slaughter will decrease seasonally until about mid-winter and will continue considerably below a year before. January-March slaughter probably will average around 10 percent below early 1956 slaughter.

Table 1.- Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, United States, 1950 to date

SPRING PIG CROP

Year	North Atlantic	North Central		South Atlantic	South Central	Western	United States
		East	West				
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Sows farrowing:							
1950	150	2,554	4,568	631	1,048	228	9,179
1951	159	2,558	4,827	673	1,019	248	9,484
1952	162	2,342	4,014	700	881	212	8,311
1953	137	2,070	3,554	570	571	143	7,045
1954	130	2,220	3,915	582	665	157	7,669
1955	139	2,404	4,247	618	780	171	8,359
1956 1/	138	2,317	3,567	645	834	156	7,657
1957 2/	122	2,275	3,529	654	812	149	7,541
Pigs saved:							
1950	943	16,177	28,905	3,971	6,534	1,428	57,958
1951	1,038	16,798	31,279	4,211	6,386	1,586	61,298
1952	1,102	15,745	26,812	4,463	5,694	1,319	55,135
1953	941	14,271	24,322	3,730	3,737	939	47,940
1954	863	15,479	27,127	3,895	4,454	1,034	52,852
1955	937	16,678	29,630	4,097	5,220	1,128	57,690
1956 1/	909	16,125	25,246	4,287	5,545	1,024	53,136
1957							2/52,000
Pigs saved per litter:	Number	Number	Number	Number	Number	Number	Number
1950	6.29	6.33	6.33	6.29	6.23	6.26	6.31
1951	6.53	6.57	6.48	6.26	6.27	6.40	6.46
1952	6.80	6.72	6.68	6.38	6.46	6.22	6.63
1953	6.87	6.89	6.84	6.54	6.54	6.57	6.80
1954	6.62	6.97	6.93	6.70	6.70	6.59	6.89
1955	6.68	6.94	6.98	6.63	6.69	6.63	6.90
1956 1/	6.58	6.96	7.08	6.65	6.65	6.55	6.94
1957							2/ 6.90

FALL PIG CROP

Year	North Atlantic	North Central East	North Central West	South Atlantic	South Central	Western	United States
Sows farrowing:	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1950	123	1,970	2,183	561	924	166	5,927
1951	131	1,929	2,227	606	873	189	5,955
1952	123	1,677	1,939	533	654	141	5,067
1953	103	1,520	1,781	429	537	109	4,479
1954	111	1,696	1,975	481	626	125	5,014
1955	119	1,877	2,225	498	732	135	5,586
1956 1/	108	1,803	1,987	505	694	118	5,215
Pigs saved:							
1950	834	13,289	14,674	3,552	5,998	1,076	39,423
1951	901	12,929	14,624	3,943	5,667	1,224	39,288
1952	847	11,271	13,001	3,421	4,226	928	33,694
1953	701	10,259	11,893	2,855	3,543	723	29,974
1954	764	11,579	13,455	3,203	4,156	821	33,978
1955	809	12,886	15,199	3,310	4,922	903	38,029
1956 1/	738	12,752	14,139	3,425	4,687	794	36,535
Pigs saved per litter:	Number	Number	Number	Number	Number	Number	Number
1950	6.78	6.75	6.72	6.33	6.49	6.48	6.65
1951	6.88	6.70	6.57	6.51	6.49	6.48	6.60
1952	6.89	6.72	6.71	6.42	6.46	6.58	6.65
1953	6.81	6.75	6.68	6.66	6.60	6.63	6.69
1954	6.91	6.83	6.81	6.66	6.64	6.56	6.78
1955	6.79	6.87	6.83	6.65	6.72	6.66	6.81
1956 1/	6.80	7.07	7.12	6.79	6.75	6.72	7.00

1/ Preliminary.
2/ Number indicated to farrow from intentions as of December 1, 1956. Average number of pigs per litter with allowance for trend used to calculate indicated number of pigs saved.

Table 2.- Number of sows farrowing and percentage distribution by months, fall season, 1950 to date

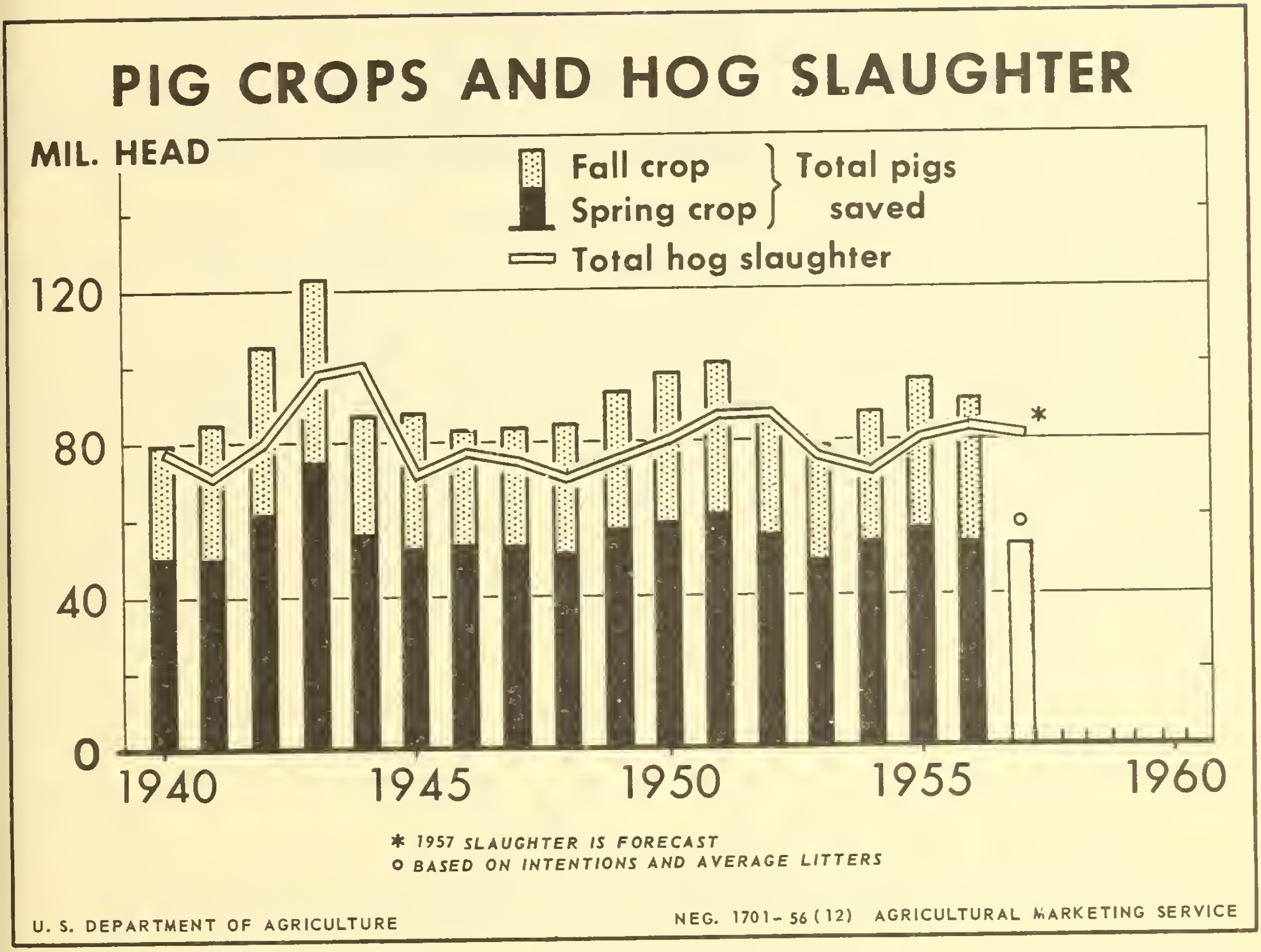
Year	June	July	Aug.	Sept.	Oct.	Nov.	Total
	Sows farrowing						
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1950	711	609	1,286	1,893	1,005	423	5,927
1951	809	664	1,328	1,803	977	374	5,955
1952	785	632	1,164	1,504	705	277	5,067
1953	649	589	1,122	1,239	609	271	4,479
1954	769	709	1,280	1,308	641	307	5,014
1955	752	830	1,373	1,475	795	361	5,586
1956	669	715	1,272	1,423	766	370	5,215
	Percentage distribution of fall farrowings						
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1950	12.0	10.3	21.7	31.9	17.0	7.1	100.0
1951	13.6	11.1	22.3	30.3	16.4	6.3	100.0
1952	15.5	12.5	23.0	29.7	13.9	5.4	100.0
1953	14.5	13.2	25.0	27.7	13.6	6.0	100.0
1954	15.4	14.1	25.5	26.1	12.8	6.1	100.0
1955	13.5	14.9	24.6	26.4	14.2	6.4	100.0
1956	12.8	13.7	24.4	27.3	14.7	7.1	100.0

Spring and early summer slaughter will be controlled by the 4 percent reduction from a year earlier in the 1956 fall pig crop. Farrowings for that crop were 7 percent smaller, but a record 7.0 pigs per litter were saved. Farrowings were cut sharply in June and July, but less later. September-November farrowings were down only 3 percent. Largest cuts in fall pigs were in the five Plains States from South Dakota to Texas, a few western States, and several other scattered States.

Fewer Spring Farrowings Planned

Intentions of hog producers on December 1 were to have 2 percent fewer sows farrow pigs in December-June this year than last. If litters are of average size as adjusted for trend, a spring pig crop of around 52 million head will result, compared with 53,136,000 a year earlier.

The planned reduction in spring farrowings, though the second in a row, is small, and a new upturn could begin by the end of the season or in the fall crop.



Producers in nine States of the Corn Belt plan to hold early spring farrowings to the same number as a year before, and to reduce late farrowings very slightly. Based on these indications, total United States farrowings would be reduced about equally in both halves of the season.

<u>Seasonal Hog Prices Recover Earlier Than Usual</u>

Prices of barrows and gilts had recovered $2.50 per 100 pounds by late December from their mid-November low, which was two or three weeks earlier than usual. Their average of $ 16.69 at eight markets for December was $ 6.02 above December 1955 (table 3).

Table 3.- Price per 100 pounds for selected classes of meat animals, by months, 1956 compared with 1955

Month	Choice slaughter steers at Chicago 1/		Choice feeder steers at Kansas City 2/		Barrows and gilts at 8 markets 3/		Choice and Prime slaughter lambs at Chicago 4/	
	1956	1955	1956	1955	1956	1955	1956	1955
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	20.02	26.98	19.08	22.25	11.70	16.82	19.12	21.21
Feb.	18.88	26.17	18.96	22.69	12.41	16.25	20.39	22.06
Mar.	19.41	25.80	19.19	23.50	13.20	16.09	20.61	23.24
Apr.	20.56	24.62	19.50	23.34	15.01	16.96	21.28	22.12
May	20.70	23.09	19.84	22.74	16.31	17.21	5/23.80	20.28
June	21.05	22.63	19.63	22.88	16.68	19.60	25.27	24.14
July	22.37	22.72	19.69	22.16	16.47	17.76	23.52	22.07
Aug.	25.81	22.43	20.50	20.82	16.87	16.40	22.80	21.79
Sept.	27.27	22.69	20.40	20.39	16.29	16.28	22.28	21.11
Oct.	26.08	22.01	19.96	20.31	15.64	14.40	21.44	20.58
Nov.	24.30	20.83	19.72	19.57	14.90	12.12	20.60	19.28
Dec.	21.99	20.35	19.60	18.62	16.69	10.67	19.97	18.31
Av.		23.16	19.67	21.61	14.82	15.19	21.76	21.35

1/ Sold out of first hands. 2/ 500-800 pounds. 3/ Average for all weights. Midwest markets. 4/ Spring lambs June-September; wooled lambs all other months. 5/ Shorn lambs.

Compiled from Market News, Livestock Division.

1957 Prices to Stay Above 1956

It appears likely that prices of hogs in 1957 will conform more closely to the usual seasonal pattern than they did in 1956. Prices may continue upward in early weeks of the year. A downturn is likely a little later when marketings of fall-born hogs are largest. After a spring advance, prices at their seasonal peak next summer will likely be supported by smaller supplies of sows as well as barrows and gilts. The seasonal decline next fall from their relatively high summer point will probably be greater than in 1956; however, prices are expected to stay above 1956 during most or all months of 1957. They may be at least as high next fall as this past fall.

Cattle Slaughter at Record High Last Fall

Commercial slaughter of 2,605,100 cattle in October was a new all-time high for any month; the October-December total also was a record. Three factors seem to have caused the high slaughter rate this past fall, and may continue to have an influence on slaughter this winter.

First, cattle were put on feed early and marketed early. Shipments of feeder cattle to the Corn Belt substantially exceeded the previous year for several months beginning in June. In an effort to avoid holding cattle too long as they had a year before, many feeders rushed their cattle through the feeding period and marketed them at lower grade and slightly lighter weight. At seven markets in November-December the proportion of Prime grade among all fed steers fell to 6 percent from 14 percent the year before and that of Choice grade fell to 51 from 54 percent; but the proportion of Good grade rose to 37 percent of the total from 24 percent in 1955. Average weights, however, were down only 7 pounds. It may be that use of stilbestrol has led feeders to sell at less finish and lower grade than formerly, in order to avoid overweight. Steers fed stilbestrol take on more weight before attaining high finish than do those fed rations without stilbestrol.

A second reason for large slaughter is the speeded-up rate of marketing all kinds of cattle. More grass steers and heifers went directly to slaughter this fall instead of being held for roughing through the winter.

Table 4.- Slaughter of cattle under Federal inspection by regions, July-November 1956 compared with 1955

Region	July-November total		Percentage change
	1956	1955	
	1,000 head	1,000 head	Percent
North Atlantic	668	668	0
South Atlantic	250	263	- 4.9
North Central			
East	1,725	1,648	4.7
Northwest	2,376	2,372	.2
Southwest	916	856	7.0
South Central	1,280	1,063	20.4
Mountain	563	495	13.7
Pacific	1,111	1,064	4.4
United States	8,885	8,428	5.4

Table 5.- Number of cattle slaughtered under Federal inspection, by class, United States, by months 1956 compared with 1955

Month	Steers		Heifers		Cows		Calves	
	1956	1955	1956	1955	1956	1955	1956	1955
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Jan.	896	718	260	236	512	540	602	563
Feb.	803	618	230	221	426	450	586	517
Mar.	893	773	255	261	393	463	647	660
Apr.	899	737	227	238	391	444	604	596
May	969	810	202	201	439	509	606	588
June	923	861	211	215	502	518	596	610
July	933	749	233	201	525	538	610	550
Aug.	864	870	243	226	624	656	691	646
Sept.	742	857	244	215	592	638	661	710
Oct.	831	799	257	222	829	635	872	728
Nov.	759	729	231	213	779	681	763	700
Dec.		778		225		584		633
Year 1/		9,299		2,674		6,656		7,499

1/ Computed from unrounded numbers.

Compiled from Market News, Livestock Division.

Finally, slaughter was expanded in the Southwest and other drought areas. Slaughter increases as the period of drought lengthens, because many producers who can wait out a brief dry period are forced to market cattle during prolonged drought. From July to November, cattle slaughter under Federal inspection in the South Central region, which includes Oklahoma and Texas, was up 20 percent from a year before. In the Mountain States, which include New Mexico and Arizona, slaughter was 14 percent larger, and in the Southwestern part of the North Central region, it increased 7 percent (table 4).

Cow Slaughter Up

After lagging behind the previous year for the first nine months, slaughter of cows increased sharply in October (table 5). The 1956 total may be close to the 6,656,000 head slaughtered in 1955. In view of the fact that a half million fewer heifers were on hand at the beginning of the year, it appears that cow herds are being culled closely and are not being expanded.

Steer slaughter increased after a late-summer downturn, and for 1956 as a whole exceeded the previous year by more than a million head.

Calf and heifer slaughter also shared in the high level of slaughter late in 1956.

Marketings of fed cattle, which were reduced fast in August and September, have been larger since. Receipts of fed steers at seven markets in December were slightly larger than the previous December.

Cattle Cycle at Peak?

A high slaughter rate that includes all classes of cattle is typical of the peak phase of the cycle in cattle numbers. A considerable period of very heavy slaughter is always necessary to turn inventory numbers downward. It is uncertain, however, whether 1956 total slaughter was sufficient to prevent a further rise in cattle numbers as of January 1, 1957.

Cattle Slaughter to Decline Seasonally; Little Price Change Likely

Cattle slaughter this winter is expected to decline seasonally, but may equal the level of a year ago. As many or more cows and almost as many steers probably will be included.

Prices of fed cattle have declined from their high in September. Choice steers at Chicago averaged $21.99 per 100 pounds in December, down $5.28 from September though still $1.64 above December 1955. Increased supplies of short-fed cattle coincided with record large slaughter of all other cattle, accounting for the decline in price.

More cattle are being fed this winter than last. More of them are young stock, making it likely that marketings will be distributed more evenly throughout the year than they were in 1956. Nevertheless, market supplies of fed cattle will be nearly as large this winter as last. Prices are expected to level out and to remain relatively stable through the first half of the year. They are not likely to drop as low as at mid-winter last year. It is possible that they will advance temporarily around mid-winter, then drop again when supplies are seasonally largest.

Price spreads between grades will probably be wider this winter and spring than last. A year ago, the market was depressed by unusually large numbers of highly finished heavy steers, prices for top grades were down most, and spreads were narrow.

Prices for cows and stocker and feeder cattle usually advance during the winter to a spring high. They probably will do so this year, though the increase may be small and will be affected by trends in fed cattle prices and by prospects for grazing conditions.

Western Range Conditions Poor

Weather and range conditions will have a particularly strong influence on cattle slaughter and prices in 1957. At the end of 1956, range feed conditions in the West were the poorest since the dry 1930's. Feed supplies are critical in much of the Central and Southern Plains and Southwest. Only through heavy supplemental feeding have cattle been maintained in fair condition.

If drought persists, it could be the most significant factor affecting the cattle industry in 1957. Continued severe drought would almost certainly reduce cattle numbers. The liquidation would add to current supplies of beef, and would prevent the moderate improvement in prices otherwise in prospect. Such a large slaughter would, however, promise higher prices some time hence, for it would include large numbers of cows and of calves and therefore would reduce the capacity for beef production a year or two in the future. Slaughter of this kind has a much different significance than that of early 1956, which consisted largely of mature steers and thus had no bearing on productive capacity of the nation's cattle herd.

Lamb Prices to Rise Seasonally; May Continue Above Last Winter

At this time of year, an increasing part of the supply of lambs for slaughter is from feed lots and wheat pastures. Prospects for more lambs on feed for market than last year will be realized in the Central Corn Belt, but poor condition of wheat pastures reduced lamb feeding in the Plains States. (See Sheep and Lambs on Feed report when released January 11.) Lambs as well as cattle moved to feed lots early this season, and probably will also move to slaughter earlier than usual. Although seasonal price gains may be delayed somewhat, lamb prices stand a good chance of continuing above a year ago when they were depressed by extremely large supplies of other meats.

Choice and Prime slaughter lambs at Chicago in December averaged $19.97 per 100 pounds, $1.66 above December 1955.

Soil Bank Grazing Extended to 700 Counties

In order to help maintain herds and flocks, farmers and stockmen in several drought States are permitted to graze their Soil Bank acreage reserve without loss of eligibility for Bank payments. Extensiveness of the drought is shown by the fact that by late December eligible farmers and ranchers in 700 counties in 12 States had been granted this permission.

Also, stockmen in 577 counties in 12 States may buy feed grain at reduced prices. In addition, 513 counties or parts of counties in seven States have been designated as areas in which producers may receive assistance in the form of lower hay and roughage prices. Most of the counties participating in the feed grain and hay programs are included in the 700 that permit Soil Bank acreage grazing.

Reduced Railroad Rates

In recognition of the serious drought situation, western and southwestern railroads have reduced freight rates for certain shipments of hay and livestock. Eligible producers may receive a 50 percent reduction in rates on hay shipped by the carload from all Western States to the drought disaster area. Free return transportation is also provided for livestock shipped from drought areas to feeding grounds in the West.

Retail Meat Prices Higher Than in Early 1956

Retail meat prices generally advanced during the second and third quarters of 1956. (See cover chart.) Beef made the strongest rise. The gain in pork prices was significant though partly seasonal. During the last three months of the year, prices of the higher grades of beef declined moderately. Pork prices dipped, then regained part of their loss in December. At year's end, beef prices were above December 1955 and near the level of December 1953 and 1954. Pork prices also were above year-earlier prices and only a few cents below the high point for the year -- a most unusual situation for prices of that meat, which ordinarily are at their year's low in December.

Table 6 shows further detail on average retail prices for selected beef and pork cuts through November 1956. Prices of Choice beef steaks and roasts were low the first half year, in line with the record fed cattle slaughter during that time. In November they were 5 to 7 cents a pound above November 1955, but they declined during December. Hamburger, however, exhibited very little price change. In November bacon was priced close to a year earlier, but pork chops and hams were higher. December prices, if available, would undoubtedly show gains over November prices for each of these retail pork cuts, in contrast to declines a year earlier.

Meat Prices to Average Higher in 1957

It seems almost certain that consumers will pay higher prices for meat in 1957, particularly for pork. Retail prices of Choice beef are expected to change little from recent levels, and to stay above 1956 prices during the winter and spring. Total supplies of beef available will be ample throughout the year, and prices next fall may not advance as much as this past fall.

Table 6.- Average retail price of specified beef and pork cuts, per pound, by months, 1954 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Beef, Choice 1/												
Round steak												
1954	91.1	88.9	88.4	88.3	89.9	91.0	91.4	91.1	91.9	92.0	92.4	92.3
1955	92.8	92.1	91.0	90.8	89.2	90.1	89.9	90.6	91.5	90.5	88.1	87.1
1956	84.9	83.0	81.3	82.4	84.0	85.7	88.0	92.1	96.9	96.6	93.5	
Rib roast												
1954	71.2	70.1	69.6	69.1	70.0	70.1	70.0	69.2	70.2	70.3	71.8	72.1
1955	73.2	72.4	71.5	71.6	70.7	70.8	70.4	69.5	69.9	69.6	68.7	68.2
1956	67.2	65.9	64.6	64.9	65.7	67.0	68.8	71.2	76.2	77.0	75.8	
Chuck roast												
1954	51.9	52.3	51.0	51.2	51.7	51.8	50.3	49.1	50.6	51.3	53.0	52.7
1955	52.6	52.6	52.1	51.6	49.8	49.8	49.1	48.3	49.2	49.3	48.6	47.7
1956	46.4	45.0	44.2	44.4	45.5	46.1	46.4	49.4	53.4	54.5	53.4	
Hamburger												
1954	41.1	41.0	40.9	40.7	40.9	41.1	41.0	40.5	40.3	40.2	40.0	40.0
1955	40.1	39.7	39.7	39.9	39.6	39.4	39.4	39.3	39.3	39.3	39.0	38.8
1956	38.5	37.8	37.5	37.6	37.7	37.9	38.4	38.8	39.4	40.0	39.5	
Pork												
Pork chops												
1954	87.6	84.8	85.7	88.5	90.3	92.7	92.0	87.8	87.2	80.2	81.2	77.2
1955	75.7	75.7	74.3	77.8	82.9	89.8	87.1	81.4	85.3	81.0	73.2	67.2
1956	64.8	69.2	67.3	73.0	77.3	86.3	85.8	85.2	87.9	84.9	79.3	
Bacon, sliced												
1954	85.0	88.2	88.0	88.4	89.5	86.7	81.6	78.1	76.5	75.2	71.4	71.3
1955	70.6	69.0	66.7	65.9	65.5	65.7	67.4	67.3	67.2	66.5	60.9	57.5
1956	54.4	53.9	52.8	53.8	54.2	56.6	58.6	59.5	60.5	61.7	60.6	
Hams, whole												
1954	73.0	72.3	72.2	72.8	73.9	72.9	71.5	70.7	68.0	64.6	63.7	64.1
1955	62.8	61.3	59.4	58.9	60.4	61.9	63.0	62.9	62.6	59.8	56.9	55.7
1956	55.5	55.9	57.1	58.8	59.4	62.1	62.0	62.1	61.4	59.8	59.4	

1/ Except hamburger, which has no grade designation.
Compiled from data of the Bureau of Labor Statistics.

Seasonal gains for pork during the next couple of months will carry prices well above the depressed prices of early 1956. The higher level of pork prices will likely be retained most of the year except for the usual seasonal changes.

Retail prices for lamb and mutton will likely be strengthened by the ease-up in supplies of other red meats, and likely will also average a little higher in the first half of 1957 than of 1956. A seasonal price increase seems probable this spring. The summer and fall decline should be about normal unless supplies are reduced by withholding sheep and lambs for slaughter in order to build up flocks.

Section 32 Purchases Discontinued; Purchases Total 100 Million Pounds

In October and November, the Department of Agriculture purchased 100 million pounds of frozen hamburger, lard, and canned pork products to assist livestock producers during the fall period of heavy marketings. These purchases, costing 31.4 million dollars, were made with Section 32 funds (not Public Law 480, which relates to purchase for export). Section 32 funds are made available to encourage consumption by diverting surpluses of perishable commodities from normal channels of trade. The products purchased are being distributed to the non-profit school lunch programs and other eligible outlets.

Purchases included 72.0 million pounds of hamburger, 6.6 million pounds of canned pork products and 21.6 million pounds of lard. The hamburger was prepared from beef grading Commercial or Utility. The canned pork purchases were luncheon meat and canned hams. No offers of canned pork and gravy were accepted. Approximately 24.5 million dollars were expended for hamburger, 3.1 million for pork, and 3.7 million for lard.

Error. On page 29 of this Situation for Nov. 15, 1956, it was stated that "if the marketing margin (for meat) increases 1 cent per retail pound without an accompanying increase in incomes of consumers, ...production must be reduced almost 5 percent if prices to producers are not to fall." The first figure should have read 3 cents per retail pound.

Table 7.- Supply and distribution of meat, by months, 1956

Period	Commercially produced: Supply: Production	Supply: Beginning stocks	Supply: Imports	Distribution: Exports and shipments	Distribution: Ending stocks	Distribution: Military	Civilian consumption: Total	Civilian consumption: Per person 1/	Total 2/: Production	Total 2/: Civilian consumption: Total	Total 2/: Civilian consumption: Per person
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
Beef:											
July	1,199	136	18	8	128	39	1,178	7.0	---	---	---
August	1,202	128	28	5	120	36	1,197	7.1	---	---	---
September	1,105	120	14	9	117	30	1,083	6.5	---	---	---
3rd quarter	3,506	136	60	22	117	105	3,458	20.6			4/21.0
October	1,304	117	16		149						
November	1,199	149			203						
December		203									
4th quarter		117									
Veal:											
July	132	14	3/	3/	13	4	129	.8	---	---	---
August	150	13	3/	3/	12	4	147	.9	---	---	---
September	140	12	3/	1	11	5	135	.8	---	---	---
3rd quarter	422	14	3/	1	11	13	411	2.5			4/ 2.6
October	168	11	3/		14						
November	140	14			18						
December		18									
4th quarter		11									
Lamb and mutton:											
July	57	9	3/	3/	8	3/	58	.3	---	---	---
August	62	8	3/	3/	9	1	60	.4	---	---	---
September	57	9	3/	3/	10	3/	56	.3	---	---	---
3rd quarter	176	9	3/	3/	10	1	174	1.0			4/1.1
October	71	10	3/		11						
November	59	11			12						
December		12									
4th quarter		10									
Pork:											
July	691	394	14	9	307	18	765	4.6	---	---	---
August	721	307	12	10	204	16	810	4.8	---	---	---
September	767	204	8	10	166	18	785	4.7	---	---	---
3rd quarter	2,179	394	34	29	166	52	2,360	14.1			4/15.0
October	969	166	99		168						
November	1,013	168			254						
December		254									
4th quarter		166									
All meat:											
July	2,079	553	32	17	456	61	2,130	5/12.7	---	---	---
August	2,135	456	40	15	345	57	2,214	5/13.2	---	---	---
September	2,069	345	22	20	304	53	2,059	5/12.2	---	---	---
3rd quarter	6,283	553	94	52	304	171	6,403	5/38.1.			4/39.6
October	2,512	304	25		342						
November	2,411	342			487						
December		487									
4th quarter		304									

1/ Derived from estimates by months of population eating out of civilian food supplies, as interpolated from quarterly data.
2/ Includes production and consumption from farm slaughter.
3/ Less than 500,000 pounds.
4/ Estimated.
5/ May not be sum of the 4 meats due to rounding.

Index to 1956 issues

- Continued

Index to 1956 issues -- Continued

- Continued

Index to 1956 issues -- Continued

Sheep and Lambs

Selected price statistics for meat animals

Item	Unit	1955 November	1955 December	1956 October	1956 November	1956 December
Cattle and calves						
Beef steers, slaughter						
Chicago, Prime	Dollars per 100 pounds	22.10	21.92	30.26	27.91	25.52
Choice	do.	20.83	20.35	26.08	24.30	21.99
Good	do.	18.77	17.59	21.82	21.04	19.30
Commercial	do.	16.47	14.69	1/17.56	2/17.37	2/16.23
Utility	do.	12.90	12.14	14.46	14.18	13.75
All grades	do.	20.84	20.30	26.00	23.97	21.65
Omaha, all grades	do.	19.58	18.87	23.42	21.45	19.72
Sioux City, all grades	do.	19.93	19.18	24.30	21.93	
Cows, Chicago						
Commercial	do.	11.37	11.15	12.79	11.76	11.85
Utility	do.	10.01	10.13	10.96	10.19	10.79
Canner and Cutter	do.	8.55	8.94	9.30	8.42	9.60
Vealers, Choice, Chicago	do.	22.82	24.90	22.70	22.31	22.10
Stocker and feeder steers, Kansas City 3/	do.	16.92	15.89	17.31	17.29	16.67
Price received by farmers						
Beef cattle	do.	14.00	13.50	15.30	14.60	14.10
Calves	do.	15.50	15.80	15.70	15.40	15.40
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	12.16	11.08	14.75	14.11	16.20
180-200 pounds	do.	12.70	11.69	15.71	15.11	17.18
200-220 pounds	do.	12.61	11.52	15.88	15.23	17.24
220-240 pounds	do.	12.40	11.17	15.90	15.12	17.12
240-270 pounds	do.	11.89	10.30	15.76	14.79	16.66
270-300 pounds	do.	11.67	9.83	15.61	14.51	16.25
All weights	do.	12.23	10.73	15.74	14.95	16.82
8 markets 4/	do.	12.12	10.67	15.64	14.90	16.69
Sows, Chicago	do.	10.93	8.78	14.76	13.52	14.52
Price received by farmers	do.	12.10	10.60	15.50	14.20	16.20
Hog-corn price ratio 5/						
Chicago, barrows and gilts	do.	10.4	8.6	12.1	11.2	12.4
Price received by farmers, all hogs	do.	11.1	9.2	13.0	11.7	13.3
Sheep and lambs						
Sheep						
Slaughter ewes, Good and Choice, Chicago	do.	5.88	6.08	5.00	5.42	5.62
Price received by farmers	do.	5.60	5.69	5.21	5.14	5.25
Lambs						
Slaughter, Choice and Prime, Chicago	do.	19.28	18.31	21.44	20.60	19.97
Feeding, Good and Choice, Omaha	do.	17.88	16.68	18.71	18.12	17.84
Price received by farmers	do.	17.20	16.50	17.90	17.50	17.40
All meat animals						
Index number price received by farmers (1910-14=100)		214	201	245	231	239
Meat						
Wholesale, Chicago						
Steer beef carcass, Choice, 500-600 pounds	Dollars per 100 pounds	36.54	35.01	43.85	40.35	37.28
Lamb carcass, Choice, 45-55 pounds	do.	6/39.85	6/36.74	41.94	40.12	38.18
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	15.86	14.50	17.61	17.39	18.90
Average per 100 pounds	do.	22.06	20.17	24.49	24.19	26.29
71.01 pounds fresh and cured	do.	19.53	18.28	21.50	20.66	22.29
Average per 100 pounds	do.	27.50	25.74	30.28	29.09	31.39
Excluding lard						
55.99 pounds fresh and cured	do.	17.28	16.19	18.96	18.06	19.44
Average per 100 pounds	do.	30.86	28.92	33.86	32.26	34.72
Retail, United States average						
Beef, Choice grade	Cents per pound	66.0	65.1	72.9	71.0	
Pork, excluding lard	do.	45.5	43.0	49.7	47.7	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		74.5	71.9	84.6	80.6	
Retail (1947-49=100) 7/		97.1	94.3	103.5	101.3	

1/ Weighted average of present Standard and Commercial grades.
2/ Standard.
3/ Average all weights and grades.
4/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
5/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
6/ 40-50 pounds.

7/ Includes beef and veal, pork, leg of lamb and other meats.

Selected marketing, slaughter and stocks statistics for meat animals and meats

Item	Unit	1955 November	1955 December	1956 October	1956 November	1956 December
Meat animal marketings						
Index number (1947-49=100)		154	131	170	154	
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	734	420	1,081	794	
Sheep and lambs	do.	247	161	802	266	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,662	1,617	1,959	1,807	
Steers	do.	729	778	831	759	
Heifers	do.	213	225	257	231	
Cows	do.	681	584	829	779	
Calves	do.	700	633	872	763	
Sheep and lambs	do.	1,162	1,155	1,439	1,139	
Hogs	do.	6,857	7,324	6,347	6,559	
Percentage sows	Percent	6	7	6	7	
Average live weight per head						
Cattle	Pounds	990	1,006	970	984	
Calves	do.	216	211	233	219	
Sheep and lambs	do.	96	98	94	96	
Hogs	do.	235	237	227	234	
Average production						
Beef, per head	do.	537	552	521	527	
Veal, per head	do.	118	116	128	121	
Lamb and mutton, per head	do.	46	47	44	46	
Pork, per head	do.	133	132	129	132	
Pork, per 100 pounds live weight	do.	56	56	57	56	
Lard, per head	do.	34	36	32	33	
Lard, per 100 pounds live weight	do.	15	15	14	14	
Total production	Million					
Beef	pounds	888	889	1,017	950	
Veal	do.	82	73	112	92	
Lamb and mutton	do.	53	54	64	52	
Pork	do.	908	968	817	862	
Lard	do.	235	261	200	219	
Total commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	2,214	2,107	2,605	2,369	
Calves	do.	1,108	993	1,349	1,162	
Sheep and lambs	do.	1,334	1,305	1,623	1,289	
Hogs	do.	8,100	8,672	7,519	7,717	
Total production	Million					
Beef	pounds	1,136	1,114	1,304	1,199	
Veal	do.	129	113	168	140	
Lamb and mutton	do.	60	61	71	59	
Pork	do.	1,073	1,145	969	1,013	
Lard	do.	264	292	228	247	
Cold storage stocks first of month						
Beef	do.	123	160	117	149	203
Veal	do.	14	16	11	14	18
Lamb and mutton	do.	10	10	10	11	12
Pork	do.	205	307	166	168	254
Total meat and meat products 2/	do.	444	601	412	449	604

1/ Federally inspected, and other wholesale and retail.
2/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

LIST OF TABLES

Standard Summary Tables

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